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**MEDIA STATEMENT RE: BRISCONNECTIONS (ASX: BCSCA)**  
**Refer to: [www.bcsunitholders.com.au](http://www.bcsunitholders.com.au)**

- **Winding up the BrisConnections trusts will preserve unit holder capital more so than operating as a going concern. Winding up the trusts will crystallise the current position where limited work is completed, and less than 10% of debt is drawn.**
- **It is not in the unit holder's interest to further draw down debt to complete a project, where the final debt facility may exceed completion value. For example: In the event that the trusts are not wound up, the units may have near zero value, and have a negative NAV even AFTER the remaining \$2 payments; unit holders have the opportunity to limit their loss by passing our resolution to wind-up the trusts.**
- **The purchase history of the units is irrelevant. A unit holder should be fairly represented by the Responsible Entity irrespective of their entry price.**
- **ASI believes the Responsible Entity has acted against the interests of unit holders.**
- **Where the Responsible Entity acts against unit holder interest, there are only limited options unit holders can take to protect themselves; including winding up the trusts.**
- **ASI remains open to alternate capitalisation plans that will benefit unit holders.**
- **ASI welcomes the contact of other unit holders, and directs them to [www.bcsunitholders.com.au](http://www.bcsunitholders.com.au) for further information.**

Australian Style Investments Pty Ltd (**ASI**) delivered on 12 February 2009 a request to BrisConnections Management Company Limited (**Responsible Entity**) to call and arrange to hold a meeting of the members of the Trusts to consider and vote on a proposed special resolution of members. ASI currently holds more than 5% of the issued stapled units in the BrisConnections Holding Trust and the BrisConnections Investment Trust (**Trusts**).

The special resolution to be proposed at the meeting is:

"That the BrisConnections Holding Trust and the BrisConnections Investment Trust commence to be wound up on the next business day following the date this resolution is passed."

Given the timetable announced by the Responsible Entity for the determining the date for unit holder liability for the second \$1 instalment and its clear intentions (both as set out in the fact sheet attached to the chairman's letter to investors dated 9 December 2008), ASI requested the Responsible Entity:

- (a) advise immediately of its intention whether or not it will call the meeting within 21 days of this request; and
- (b) arrange to call and hold the meeting within 45 days of this request.

ASI has not received a formal response on these requests from the Responsible Entity.

It is ASI's understanding that a large percentage of the unit holder base in the Trusts was either unaware or unclear on the implications of the remaining two instalments payable on the units. It is ASI's view that the Responsible Entity should act in the best interests of all unit holders, and this must include those unit holders who acquired at a lower entry price and were unaware of their future liabilities.

It is unclear what benefit unit holders will receive by paying the remaining two \$1 instalments in the Trusts. It is evident that the present value of the **completed** project has deteriorated significantly since the IPO. ASI does not believe that it is in the unit holders' best interest to continue funding the project. Units may have little value, if any, even after the further payments, and to date the RE has made no alternative suggestion for unit holders to protect their interests.

**In ASI's view, further equity contributed will diminish by a value greater than that in the event of windup. Hence it is not commercial, from a unit holders' perspective, to continue the Trusts as a going concern and they would be better served by crystallising the current position where limited work is completed, and less than 10% of debt is drawn.**

ASI is concerned that the Responsible Entity has discounted the best interests of current unit holders and, as a result, unit holders must consider their options. The recent decision to cancel the 5.95c distribution/capital return has the likely effect of transferring wealth from current unit holders to the underwriters, given the expected levels of unit holder default. ASI remains unclear as to how this is in unit holders' interests.

Despite ASI's view that this project remains important to the State of Queensland, material market changes have impacted all stakeholders in the project. These need to be addressed as they happen, and not deferred to project completion. ASI remains open to an alternative structure that better serves the interest of unit holders than that of wind-up.

ASI welcomes all unit holders to contact it for further information, and suggest that they refer to the website: [www.bcsunitholders.com.au](http://www.bcsunitholders.com.au) for further information.

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In accordance with the Corporations Act, ASI delivered to the Responsible Entity at the same time as the meeting request a statement about the proposed resolution to accompany the notice to unit holders. A copy of that statement follows.

## Statement accompanying proposed special resolution by Australian Style Investments Pty Ltd

Australian Style Investments Pty Ltd ("**ASI**"), being a member of the Trusts, provides the following statement. This statement accompanies the request ASI has made to BrisConnections Management Company Limited ("**BCMCL**") to call and arrange to hold a meeting of members of the Trusts to consider and vote on a proposed special resolution to commence winding up the Trusts.

Despite BCMCL's continuous disclosure obligations to the Australian Stock Exchange ("**ASX**"):

- (a) the Product Disclosure Statement issued by BCMCL for the Airport Link Project, while stating that intended distributions were not guaranteed during the fixed distribution period, inferred that the "financial circumstances of BrisConnections" would be the determining factor in payment of the intended distributions;
- (b) on 3 September 2008, the Company Secretary on behalf of BCMCL released a statement which reconfirmed that:
  - (i) the price at which the Trusts' stapled securities trade does not impact the pricing or availability of the funding for the project,
  - (ii) all the debt facilities raised by BrisConnections for the project are fully underwritten by a group of leading Australian and international banks experienced in motorway financings and that those facilities are and remain fully committed and available for their specified maturities, and
  - (iii) there are no market capitalisation undertakings in BrisConnections' debt facilities,

and then went on to state that the directors of BCMCL intended to declare the first fixed distribution of 5.95 cents per stapled security on 19 December 2008 **and** that there "...is cash funding in reserve accounts available to fully meet this distribution";

- (c) when BCMCL provided an update to the market on 24 October 2008, the chairman was quoted as saying that BrisConnections was "...well placed despite the current volatility in financial markets". That update reiterated that funding is secure and that there are no market capitalisation undertakings in the debt facilities. Indeed, that update contained a set of frequently asked questions, which included reference to distributions. The update contained no hint or suggestion that BCMCL was considering changing the intended distribution;
- (d) on 30 October 2008, just 6 days after the update on 24 October 2008, BCMCL advised investors that:
  - (i) since 3 September 2008 there had been a significant deterioration in world equity and financial markets;
  - (ii) it is in the interests of all unit holders for BrisConnections to preserve its capital by reducing the first distribution from 5.95 cents per unit to

0,05 cents per unit and to defer payment of that reduced distribution until after payment of the second instalment on 29 April 2009;

- (iii) the reduction in distribution reflects the importance of preserving BrisConnections' cash reserves given prevailing market conditions; and
  - (iv) the deferral of the first distribution may reduce the number of trades in small holdings which are motivated by the disparity between the then current unit price and the anticipated first distribution and that these holders may intend to dispose of units prior to the payment of the second instalment and, if this is not possible, may have no means to meet calls on subsequent instalments. By doing so, the directors considered that this would "...avoid the erosion in value for all unit holders";
- (e) on 3 February 2009, BCMCL released financial results for BrisConnections. In the ASX release, the chairman once again stated that:

*"BrisConnections is fully funded and we are well positioned to continue delivering on the construction phase of the project. We have syndicated debt facilities in place, which we began drawing on recently. Also the two remaining instalments are fully underwritten..."*

The consolidated interim balance sheet for BrisConnections as at 31 December 2008 indicates that more than \$63 million is held in cash reserves.

Overall, it is ASI's view that the reduction and deferral of the announced distribution is not in the best interests of unit holders of the Trusts. ASI considers that the decision of the board, as announced on 30 October 2008:

- (a) is inconsistent with the intentions as expressed in the PDS; and
- (b) was substantially based on an irrelevant reason (namely, the trading intentions of unit holders)

ASI also considers that it is not clear that it is in the unit holders' best interests to contribute a further \$2 of equity per unit to the project given:

- (a) the uncertain nature of the economic climate;
- (b) that it is clear that the future value of the completed project is materially lower than first anticipated at issue; and
- (c) there is suitable concern as to the future of BCMCL post the second instalment date, where in all likelihood there will be a change of control (possibly to the underwriters), as a majority of unit holders may default on paying that instalment;
- (d) even after the second \$1 instalment is paid in April, it is possible that the units will continue to trade at less than \$1, resulting in an immediate loss of investment value and a continuation of limited opportunities for unit holders to trade or exit their position, if desired;

- (e) there is a material risk that further equity contributed will diminish by a value greater than that in the event of windup. Hence it is not commercial from a unit holders' perspective, to continue BCMCL as a going concern.

As a result, ASI believes it to be in the best interest of all unit holders to wind up the Trusts now and distribute any net salvageable value, if any, of the assets of the Trusts (including work in progress) back to unit holders.